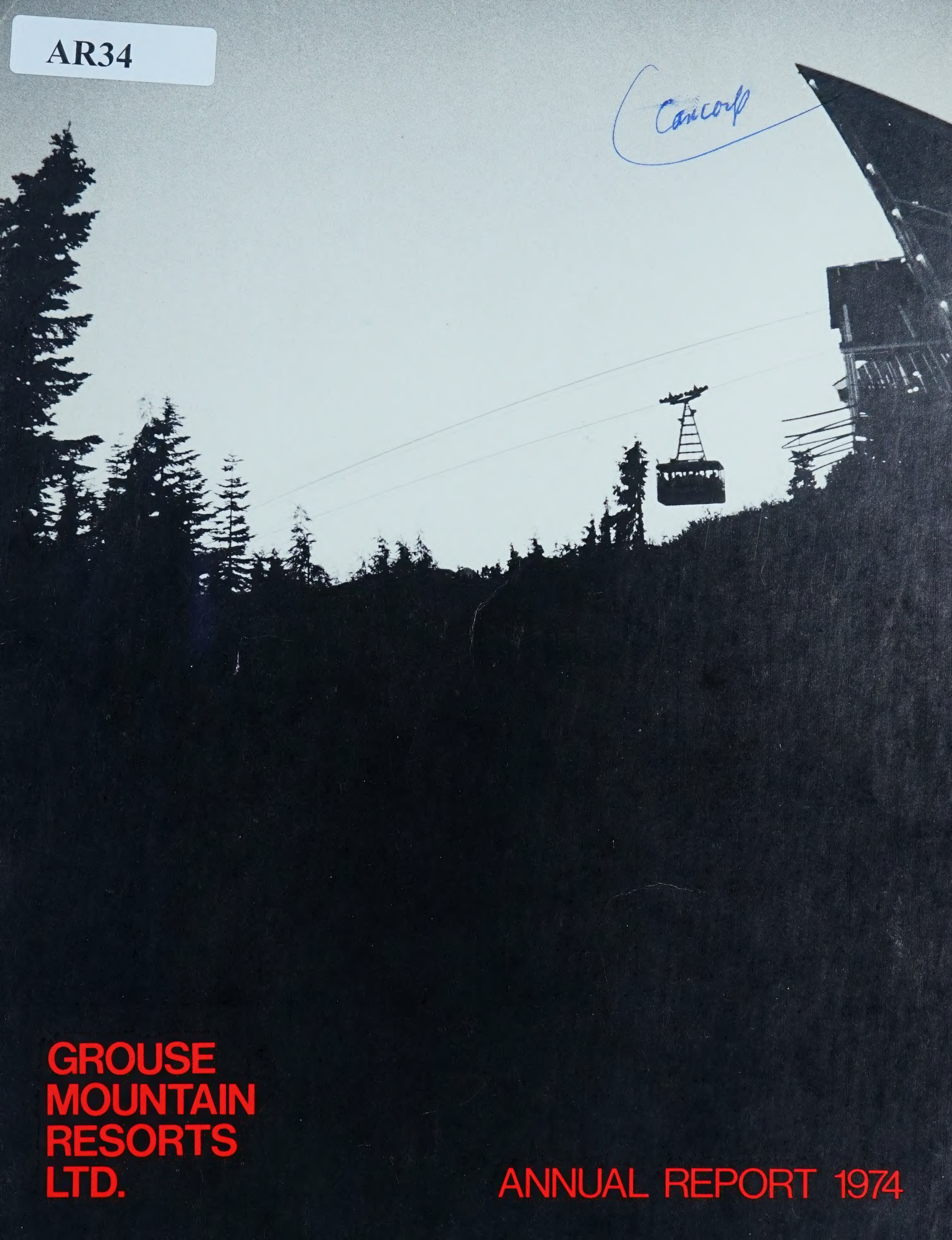
Cancorp



GROUSE MOUNTAIN RESORTS LTD.

ANNUAL REPORT 1974

SKYRIDE

A Hang Glider's view of Vancouver from the Top of Grouse

Vancouver Province Photo

FINANCIAL HIGHLIGHTS

	1974	1973	Increase
FOR THE YEAR:			
Passenger traffic	448,112	392,163	56,547
Season passholders	5090	2659	2431
Gross revenue	$3,607,436	$2,599,844	$1,007,592
Working capital generated from operations	$ 967,490	$ 273,302	$ 694,188
Net earnings	$ 192,430	$ (83,258)	$ 275,688
Addition to plant and equipment	$1,921,587	$ 872,707	$1,048,880
PER COMMON SHARE:			
Working capital generated from operations	62c	18c	44c
Net earnings	12c	(05c)	17c
YEAR END POSITION:			
Bank debt	—	$ 730,000	$ (730,000)
Debenture debt	$ 134,000	$ 629,000	$ (495,000)
Shareholders' equity	$6,063,414	$3,141,125	$2,922,289
Total assets	$7,310,157	$5,170,186	$2,139,971

REPORT TO SHAREHOLDERS

Grouse Mountain Resorts Ltd. concluded its 1974 fiscal year with a balance sheet position substantially strengthened over the previous year, occasioned by a positive contribution to shareholders' equity, both from operations and from the injection of new equity capital by S. B. McLaughlin Associates Limited as reported to you by circular and at the extraordinary shareholders' meeting held on May 22nd, 1974.

Particularly encouraging operation results achieved during the winter months contributed to an overall corporate recovery from the financial setback of fiscal 1973, with pre-tax operating profit of $471,697 replacing a loss of $50,319. After appropriate taxes, and allowing for Grouse Mountain's share of the loss from Canyon Aerial Tramways, net earnings advanced from an $83,258 loss to a positive figure of $192,430. Equivalent earnings per share for 1973 and 1974 are $ (0.05) and $0.12.

As may be noted in the Consolidated Statement of Earnings, gross revenue rose from $2,599,844 to $3,607,436, an increase of 39% while the rise in general operating expenses from $2,270,251 to $2,627,086 was held to 16% such that, as reported in the Consolidated Statement of Changes in Financial Position, working capital provided by operations advanced more than three-fold, from $273,302 to $967,490.

Review of this latter statement is particularly important for fiscal 1974, as it outlines the significant improvement in corporate liquidity through receipt of funds from operations, the new share issue and the reclassification of an outstanding loan to a former subsidiary (Crescent City Undersea Gardens, Inc.), now collected—all of which, along with certain miscellaneous cash proceeds, totals $3,332,305.

Detailed further in the statement is the utilization of such funds, the various items of which require commentary.

First, it should be noted that the major transaction with S. B. McLaughlin Associates consummated on May 31st, comprised two basic elements, a $2,000,000 contribution to the company's treasury through the subscription of 1,000,000 common shares, and an open market purchase, at $3.00 per share, of half the common shares held by each shareholder. Opportunity to participate in this transaction was extended to all holders of Grouse Mountain Resorts 7% convertible debentures, with the majority (79%) electing to do so by converting $495,000 of these securities to common stock, thereby reducing the total of such senior debt on the company's balance sheet from $629,000 to $134,000.

Second, steps were taken to consummate the outstanding portion of the June 2, 1969 purchase contract initiated with the former shareholders of Pacific Undersea Gardens. Prior to 1974 fiscal year-end, Grouse Mountain acquired the 224,000 outstanding preferred shares of this company (plus a $47,871 shareholder loan) for the issuance of 67,968 Grouse common shares. The net result of this transaction is incorporated in the $114,435 "increase in investments" in the Consolidated Statement of Changes in Financial Position. The preferred shares in question may be converted to an account receivable at the option of Grouse Mountain Resorts.

Third, a decision was made to retain for regular rental use, rather than sell, your company's inventory of skiis, boots and poles—thus the $150,186 entry to reclassify these products as fixed assets.

Fourth—and the most significant entry in the Consolidated Statement of Changes in Financial Position—is the $1,921,587 expenditure for "property, plant and equipment". As reported throughout the year, the major portion of such funds was directed towards the installation of the extensive snowmaking system that provides "instant-response" coverage throughout the mountain.

Construction delays occasioned by late supply of materials, difficult weather and somewhat inaccessible and rough terrain were moderated by the heavy natural snowfall of the 1973-74 season that produced the record revenue year documented in this report.

The snowmaking system installed on Grouse is the largest such complex in the country and has been designed to operate in the marginal temperature and humidity conditions encountered on the West Coast. Testing and trial runs to date have demonstrated the potential of the system, the full capacity of which will be realized upon the completion of the permanent water supply line to Kennedy Lake. This latter work is being conducted during the 1974 summer season by crews engaged directly by Grouse Mountain Resorts, such action necessitated by declared receivership of the contractor.

Total traffic using the Skyride during fiscal 1974 reached 448,712, up 14.4% from 392,163 the previous year, but still short of the 467,617 record achieved during fiscal 1972. As reported in the third quarter interim report to shareholders, record traffic levels were being enjoyed at the end of nine months of operation.

However, an overnight, March 25th, maintenance accident on the Skyride required extended closure of that facility to effect appropriate repairs such that extensive loss of business occurred during the final operating quarter. The company has submitted a claim for both physical damage and loss of revenue, the $273,641 revenue deficiency portion being incorporated as a separate item in the Consolidated Statement of Earnings.

Operation of Grouse Mountain Resorts affiliated companies has resulted in an improvement in the earnings position for both Pacific Undersea Gardens and Canyon Aerial Tramways. The most significant development occurred in Pacific where, after experiencing several years of disappointing performance, a decision was made to sell the only

unprofitable unit in the system, Crescent City Undersea Gardens. Subsequent to the year-end, this transaction resulted in full repayment to Grouse of the outstanding shareholder loan of $117,815, and now places Pacific in the position of operating from its two primary locations, Newport, Oregon, and Victoria, British Columbia, (both of which experienced increased profits) without enduring the regular drain on earnings caused by Crescent City. In addition, following the absorption of initial losses, the newly acquired Royal Pacific Wax Museum (also located in Newport) finished the year with positive earnings.

Passenger traffic to Hell's Gate rose 27% over fiscal 1973, continuing the advance in gross revenue and further reducing Canyon Aerial Tramway's loss position, the Grouse portion of which is now down to $23,209, compared to $54,089 last year. Early indications from the business being experienced during the current summer season are to the effect that Canyon will move into a positive earnings position in fiscal 1975. Improvements to the site include expanded parking, new viewing platforms, and extension of the restaurant area to enable more of the increasing and important bus tour groups to enjoy the popular barbecued salmon dinners while viewing the spectacular rushing waters and the giant salmon fishways at the Hell's Gate site.

Reference to individual activities within Grouse Mountain Resorts reveals all departments but one to have evidenced a strong recovery from the previous season. For example, season pass sales, which dropped in half in reflection of the "snowless" 1972-73 season, again recovered to the 5,000 level set during the exceptional 1971-72 year.

Business accruing to the ski rental shop doubled that of fiscal 1973—a most encouraging development that substantiates the original purchase of this enterprise two years ago.
The gift and ski merchandise sales advance is particularly satisfying, as this department recorded a 70% improvement in revenue at a time total traffic advanced only 14%, thus reflecting substantial growth in per passenger sales and demonstrating success with the improved display areas and new merchandising techniques.
The Grouse Mountain Ski School experienced its fifth consecutive season of expansion with enrolment in the popular Head-Way® program up 73% from 3,000 to 5,200 participants, attesting to the high degree of consumer acceptance of this successful method of learning to ski, a program exclusive to Grouse Mountain throughout the Lower Mainland.

In addition to its regular group and private instruction programs, the Grouse Mountain Ski School also gave lessons to 5,800 students participating in school and junior programs, made available through plans originally developed by Grouse Mountain and offered at cost to the community, the future gain to your company accruing through expanded interest in winter recreation.

The only department within Grouse to reflect a drop in revenue from the previous year is the restaurant business. Unlike the skiing activity, restaurant sales were affected by the five-week shutdown occasioned last fall to replace the Skyride hauling cable and to reposition the track cable stress points over the towers (this latter preventative maintenance action being necessary about once every five years).

Further, the noticeable effects of inflation on food and service costs became particularly severe during the last half of the year. While certain recovery is expected in fiscal 1975, continued external economic pressures will make it increasingly difficult to maintain historical profitability in this aspect of our business.

The final matter to report to shareholders relates to the company's real estate development plans. As previously described, activities over the past two years have concentrated on an extensive analysis of the logical, long range use pattern of the North Shore mountains, preparation of a general reconnaissance study relative to the appropriate utilization of the Grouse property, and assembly of supporting reviews and statistics to support a specific development plan for the area. The injection of new equity capital gave the project reality and a specific proposal for a recreational complex comprising a 500 room resort hotel and an inclined mountain railway was presented to the Council of the District of North Vancouver with approval in principle granted on June 18, 1974. Council's early action on our application was appreciated by Grouse as it allowed the vital 1974 summer months to be used for initial road access and railway foundation construction, made essential through permanent government closure of the 25 year old Village Chairlift. However, two weeks later Council made its initial approval subject to negotiation of a land use contract, a development that essentially resulted in no construction activity of any form being undertaken during the summer, while at the same time adding to the planning, architectural, engineering and legal costs of the project.

In spite of such difficulties, your directors remain confident that future communiques to shareholders will reveal progress being made on this long awaited expansion of the Grouse Mountain recreational facilities.

This report should not be concluded without a word of thanks to the continuing contribution of the dedicated Grouse Mountain staff some of whom you may recognize in the photographs contained in the attached copy of the Grouse '75 newspaper. Also, we should like to welcome to the Board of Directors, Messrs. J. Trevor Eyton, Ormonde J. Hall, Edward A. Kirk and S. Bruce McLaughlin (all connected with S. B. McLaughlin Associates) and to thank those retiring, Messrs. Elwyn E. Gregg, Peter Paul Saunders and Charles R. White for their years of service to the company.

On behalf of the Board of Directors.

John E. Hoegg

John E. Hoegg,
President.

CONSOLIDATED BALANCE SHEET

ASSETS

	May 31 1974	May 31 1973
CURRENT ASSETS		
Cash and short term deposit	$ 113,826	2,092
Receivables (Note 2)	584,339	44,592
Inventories (Note 3)	211,886	285,303
Prepaid expenses	14,590	51,107
	924,641	383,094
OTHER ASSETS		
Investments (Note 4)	360,724	429,554
Deferred costs (Note 5)	149,536	86,042
	510,260	515,596
PROPERTY, PLANT AND EQUIPMENT (Note 6)	5,875,256	4,271,496
	$7,310,157	5,170,186

LIABILITIES AND SHAREHOLDERS' EQUITY

	1974	1973
CURRENT LIABILITIES		
Demand bank loan	$ —	730,000
Payables and accruals	339,731	332,463
Construction holdbacks (Note 7)	179,356	—
	519,087	1,062,463
DEBENTURES (Note 8)	134,000	629,000
DEFERRED INCOME TAXES	593,656	337,598
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	5,652,855	2,787,263
Contributed surplus (Note 10)	45,368	181,101
Retained earnings	365,191	172,761
	6,063,414	3,141,125
	$7,310,157	5,170,186

On behalf of the Board:

Andrew E. Saxton, Director **John E. Hoegg,** Director

CONSOLIDATED STATEMENT OF EARNINGS

	Year ended May 31 1974	1973
REVENUE		
From operations	$3,333,795	2,599,844
Insurance claim (Note 2)	273,641	—
	3,607,436	2,599,844
COSTS AND EXPENSES		
Cost of sales, general and operating expenses	2,627,086	2,270,251
Depreciation and amortization	435,194	314,081
Interest on long-term debt	28,149	45,797
Other interest	45,310	20,034
	3,135,739	2,650,163
EARNINGS (LOSS) BEFORE INCOME TAXES, SHARE OF LOSS OF INVESTEE COMPANY	471,697	(50,319)
Deferred income taxes	256,058	(21,150)
EARNINGS (LOSS) BEFORE SHARE OF LOSS OF INVESTEE COMPANY	215,639	(29,169)
Share of loss of investee company (Note 4)	23,209	54,089
NET EARNINGS (LOSS)	$ 192,430	(83,258)
EARNINGS (LOSS) PER SHARE (Note 11)	$ .12	(.05)

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Year ended May 31 1974	1973
RETAINED EARNINGS AT BEGINNING OF YEAR	$ 172,761	334,520
NET EARNINGS (LOSS)	192,430	(83,258)
	365,191	251,262
DIVIDENDS	—	78,501
RETAINED EARNINGS AT END OF YEAR	$ 365,191	172,761

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended May 31 1974	1973
WORKING CAPITAL PROVIDED BY		
Operations (Note 12)	$ 967,490	273,302
Issue of common shares (Note 9)	2,866,532	21,580
Less:		
Debentures converted	(495,000)	—
Amount charged to contributed surplus (Note 4)	(135,936)	—
	2,235,596	21,580
Subsidiary at date of acquisition (Note 4)	2,831	—
Reclassification of advance by former investee	117,815	—
	3,332,305	294,882
WORKING CAPITAL USED FOR		
Deferred property development costs	60,436	—
Property, plant and equipment	1,921,587	872,707
Increase in investments	114,435	15,171
Purchase of preference shares	738	3,797
Reclassification of rental equipment inventory (Note 6)	150,186	—
Lease cancellation cost	—	70,000
Dividends	—	78,501
	2,247,382	1,040,176
WORKING CAPITAL		
Increase (decrease) during the year	1,084,923	(745,294)
Working capital (deficiency) at beginning of year	(679,369)	65,925
Working capital (deficiency) at end of year	$ 405,554	(679,369)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 1974

1. Accounting policies

Principles of consolidation

The financial statements include the accounts of the company and all subsidiaries. All material inter-company transactions are eliminated. The subsidiary companies consolidated are Ski Village Limited, Lifts Limited and Westcoast Environmental Resources Ltd.

Investee company

The company follows the equity method of accounting for the investee company.

Inventories

Inventories are valued at the lower of cost or net realizable value.

Depreciation

Depreciation is determined at rates which will reduce original cost to estimated residual value over the useful life of each asset and is computed on the straight line method. Material profits or losses on disposals are included in income at the date of disposition and the book value of such disposals is removed from the accounts.

Deferred income taxes

Taxes deferred as the result of claiming for tax purposes amounts different from those recorded in the accounts are charged against current earnings and are recorded in the balance sheet as deferred income tax credits. Timing differences arose principally from depreciation, lease costs and deferred costs.

Deferred property development costs

Research and survey costs incurred in connection with the proposed development of the company's property will be deferred until the development plans are finalized when they will be capitalized if the project is undertaken or written off if it is abandoned.

Debenture discount

Discount on the issue of long-term debentures is deferred and amortized over the life of the debenture or the period to the date of redemption.

Deferred lease cancellation costs

The cost of cancellation of a lease is being amortized over a period equivalent to the life of the lease remaining at the date of its cancellation.

Maintenance and repairs

Maintenance and repairs of a routine nature are charged against operations as incurred. Costs incurred to improve existing assets or to extend their useful life are capitalized.

2. Receivables

Receivables comprises the following amounts:

	1974	1973
Trade	$ 69,140	44,592
Due from former investee	117,815	—
Insurance claim	397,384	—
	$584,339	44,592

Following an accident in March 1974 the aerial tramway was out of service until temporary repairs were completed and was subjected to use restrictions until permanent repairs were completed. The company has made a claim under its business interruption insurance policy for operating income which would have been received during the period of suspended and curtailed operations and has claimed for damage to the equipment under its general insurance policies as follows:

Loss of operating income	$273,641
Damage	123,743
Total insurance claim	$397,384

The insurance claim has recently been submitted to the companies underwriters and is currently being reviewed.

3. Inventories

Inventories comprise the following:

	1974	1973
Spare parts	$ 72,385	48,434
Food and merchandise	139,501	86,683
Rental equipment (Note 6)	—	150,186
	$211,886	285,303

4. Investments

	1974	1973
Pacific Undersea Gardens Ltd. (50% owned) at cost (1973—includes Westcoast Environmental Resources Ltd.):		
Common shares	$ 500	10,500
Preference shares (non-cumulative)	88,065	—
Advances	78,201	201,887
	166,766	212,387
Canyon Aerial Tramways Ltd. (investee—42% owned) at cost less share of loss	193,958	217,167
	$360,724	429,554

4. **Investments (continued)**

Pursuant to the provisions of an agreement made in 1969, the company exercised its option whereby it acquired 224,000 preference shares of $1 par value of Pacific Undersea Gardens Ltd. and non-interest bearing shareholders' advances in the amount of $47,871 in consideration for the issue of 67,968 of the company's common shares. In accordance with the terms of this agreement the directors ascribed a value of $271,872 to the common shares issued. The value of the perference shares and shareholders' advances acquired was considered to equal the approximate market value of the common shares at the date of issue which was less than their recorded value by $135,936. Accordingly, this difference has been recorded as a reduction of contributed surplus.

The company's investment in shares and advances is accounted for on a realization basis and has not been reduced by its share of the losses of Pacific Undersea Gardens Ltd. The investment in common shares is recorded at cost which is nominal in amount, the advances are fully secured and considered realizable and the book value of the preferred shares exceeds the rcorded cost of these shares.

At May 31, 1973 the company's investment in 50% of the common shares of Westcoast Environmental Resources Ltd. and advances to that company comprised:

10,000 common shares at cost	$10,000
Advances	21,392
	$31,392

On June 1, 1973 the remaining 50% of the common shares was acquired for $1. Accordingly the accounts of Westcoast Environmental Resources Ltd. are consolidated in the current year with the accounts of the company. The increase in working capital as the result of consolidation is:

Advances and investment in 100% of common shares	$31,393
Deduct net non-current assets of subsidiary	28,562
Working capital of subsidiary at date of acquisition	$ 2,831

5. **Deferred costs**

	1974	1973
Unamortized debenture discount	$ 4,532	23,039
Unamortized lease cancellation cost	56,007	63,003
Deferred property development costs	88,997	—
	$149,536	86,042

6. **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation.

	1974	1973
Land	$ 391,896	391,896
Buildings, tramway, chairlifts and other mountain equipment	7,645,804	5,609,450
	8,037,700	6,001,346
Accumulated depreciation	2,162,444	1,729,850
	$5,875,256	4,271,496

Depreciation is provided on the straight line method at the following rates:

Buildings, tramways and chairlifts	5%
Machinery and equipment	10%
Automotive equipment	20%
Rental skis	33⅓%
Rental boots	20%

The policy established previously to sell the entire stock of ski rental equipment annually was changed during the current year to provide that such equipment will be rented for a number of years. Accordingly, the net book value of such equipment included in inventory at May 31, 1973 in the amount of $150,186 has been reclassified to property, plant and equipment.

7. **Construction contract**

On May 18, 1973 the company entered into a contract for construction of a snowmaking system. The contractor subsequently went into receivership and the company was obliged to take over the project to ensure its completion. The contract was terminated by the company in accordance with the provisions of the contract on July 20, 1974. Final settlement has yet to be determined however, in the opinion of management, the company has no further liability to the contractor in respect of this contract and construction holdbacks are adequate to meet any liabilities to sub-contractors.

8. **Debentures**

The 7% convertible redeemable sinking fund debentures maturing June 15, 1986 are secured by a fixed charge on land and certain assets of the company and a floating charge on the remaining assets.

Purchase fund requirements to the maturity date of the debentures have been met by conversions and redemptions to date. The outstanding debentures are convertible into common shares at the option of the holders. The rate for conversion of debentures into common shares is fixed at 500 shares per $1,000 of debentures until June 30, 1976 and thereafter at 469.5 shares per $1,000 subject to change in accordance with the anti-dilution provisions of the trust deed.

9. **Share capital**

Common shares

During the year the company increased its authorized common shares without par value from 2,729,392 shares to 3,500,000 shares.

Preference shares

Authorized 270,608 6% non-cumulative first preference shares with a par value of $2.35 each, redeemable at $2.45 per share.

9. Share capital (continued)

Common shares issued	1974 Shares	1974 Amount	1973 Shares	1973 Amount
Balance at beginning of year	1,548,044	$2,765,949	1,532,494	$2,744,369
Issued during the year:				
For cash under employee stock options	68,250	99,660	15,450	21,330
Gift under promotional plan	—	—	100	250
Conversion of 7% debentures	247,500	495,000	—	—
Purchase of preferred shares and shareholders' advances of Pacific Undersea Gardens Ltd.	67,968	271,872	—	—
For cash to S. B. McLaughlin Associates Limited	1,000,000	2,000,000	—	—
Balance at end of year	2,931,762	$5,632,481	1,548,044	$2,765,949
Preference shares issued				
Balance at beginning of year	9,070	$ 21,314	11,270	$ 26,534
Market purchases for redemption	(400)	(940)	(2,200)	(5,220)
Balance at end of year	8,670	$ 20,374	9,070	$ 21,314
		$5,652,855		$2,787,263

In May 1974 S. B. McLaughlin Associates Limited acquired 64.3% of the issued common shares of the company by:
(a) the issue of 1,000,000 common shares from the company's treasury for cash on May 31, 1974.
(b) purchase of 885,257 issued common shares from the public under the terms of its offer dated May 3, 1974.

The company has reserved 113,750 common shares which it may be required to issue under the following circumstances:
a) Pursuant to the terms of the Incentive Stock Option Plan certain employees have been granted options to purchase 46,750 common shares at prices from $1.25 to $1.56 exercisable at varying dates to May 31, 1979.
b) Debentures outstanding at May 31, 1974 are convertible into 67,000 common shares.

On June 1, 1974, 46,450 common shares were issued for a total cash consideration of $62,890 on the exercise of options.

10. Contributed surplus

Contributed surplus was increased by $203 (1973 $1,423) during the year as the result of the purchase of Grouse Mountain Resorts Ltd. preference shares and reduced by $135,936 resulting from recording the issue of common shares as described in Note 4.

11. Earnings per share

Earnings per share are based on the weighted average number of shares outstanding during the year (1974 1,563,244; 1973 1,541,343). Fully diluted earnings per share are not presented as the assumed conversion of debentures and exercise of options under the Incentive Stock Option Plan has no material dilutive effect in the current year.

12. Working capital

Working capital has been provided by net earnings as follows:

Operations:	1974	1973
Earnings (loss) for the year	$192,430	(83,258)
Depreciation	435,194	314,081
Debenture discount amortized	18,506	1,767
Lease cost amortized	6,996	6,997
Deferred income taxes	256,058	(21,150)
Loss on disposal of property, plant and equipment	24,247	776
Share of loss on investee company	23,209	54,089
Exchange loss on repayment of loan by former investee	10,850	—
	$967,490	273,302

13. Contingent liability

A bank loan of the investee company at May 31, 1974 of $197,400 is guaranteed by the company.

14. Remuneration of directors

The aggregate remuneration paid by the company to directors and senior officers amounted to $158,700 (1973 $109,800) including $3,100 (1973 $2,800) to directors in their capacity as directors.

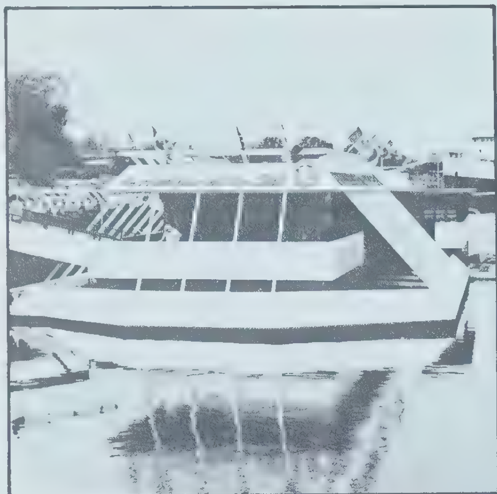
AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Grouse Mountain Resorts Ltd. and subsidiaries as of May 31, 1974 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, subject to the final determination of the insurance claim referred to in Note 2, these consolidated financial statements present fairly the financial position of the company and subsidiaries at May 31, 1974 and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, British Columbia
September 23, 1974

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants



Undersea Gardens

Hell's Gate Airtram, Fraser Canyon

Undersea Gardens

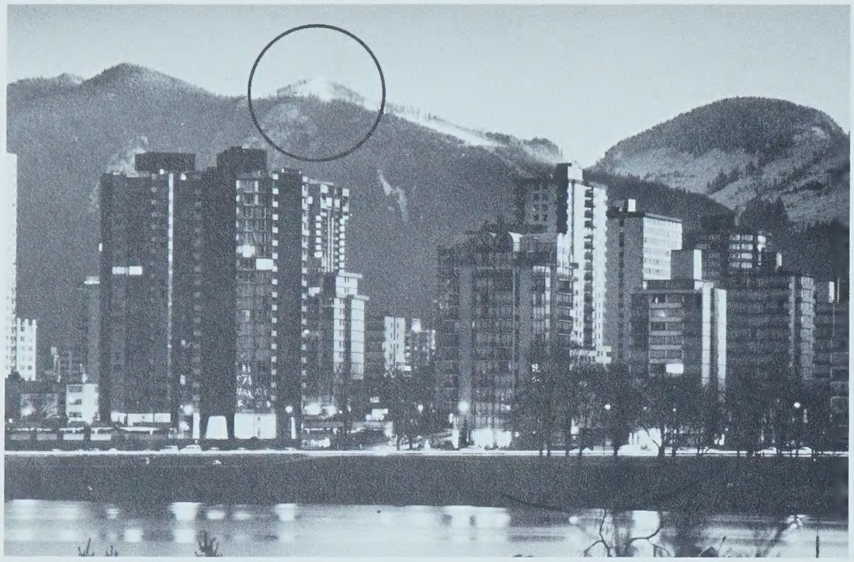
Royal Pacific Wax Museum

SNOWMAKING SYSTEM

One of 25 Air-Water Snow Guns

One of 2 Headco H2D Airless Snowmakers

Vancouver Province Photo



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2

3

1. Twenty minutes from downtown Vancouver, the lights of Grouse Mountain dominate the city.

2. The Grouse Nest, providing the finest food and night view of Vancouver.

3. An unusual load for The Skyride. Logs being transferred to the top of Grouse.

4. Perfect control, perfect balance, perfect timing, only the tree tells you he is upside down.

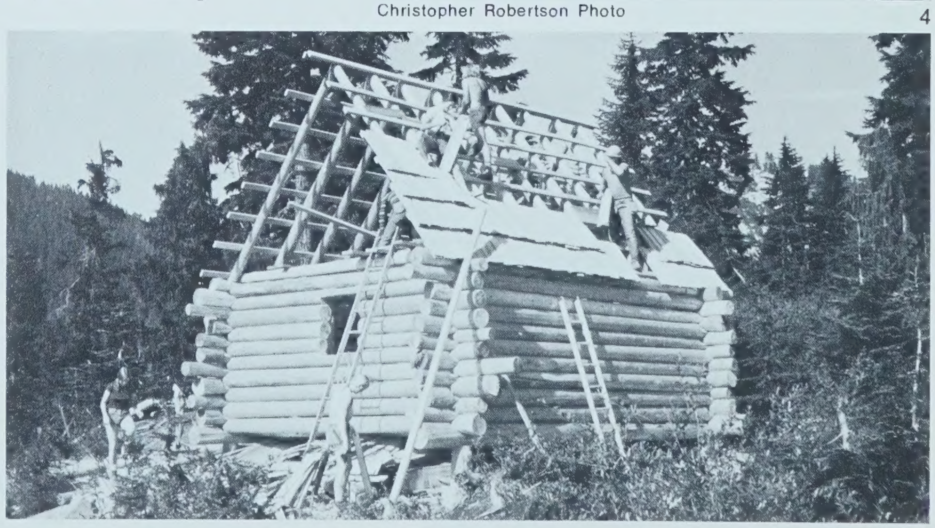
5. This fawn was born under the number one tower of The Skyride and was seen by thousands of visitors this year. (Vancouver Province Photo).

6. At the top of Grouse the log cabin nears completion. During its construction, Earl Carter gave the general public lessons in log cabin building.

Christopher Robertson Photo

4

5



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Corporate Officers
ANDREW E. SAXTON, Chairman of the Board
JOHN E. HOEGG, President
GOWAN T. GUEST, Secretary

Corporate Directors
DAVID S. BEATTY, Toronto, President, Davebar Investments Ltd.
J. TREVOR EYTON, Toronto, Partner, Tory, Tory, DesLauriers & Binnington
JOHN C. GILMER, Vancouver, President, Canadian Pacific Airlines Ltd.
ORMONDE J. HALL, Vancouver, Partner, Sutton, Braidwood
JOHN E. HOEGG, Vancouver, President of the Company
EDWARD A. KIRK, Mississauga, Vice-President Finance, S. B. McLaughlin Associates Limited
S. BRUCE McLAUGHLIN, Mississauga, President, S. B. McLaughlin Associates Limited
ANDREW E. SAXTON, Vancouver, Chairman of the Board of the Company
GEORGE D. SHERWOOD, Vancouver, Vice-President, Odlum Brown & T. B. Read Ltd.

Grouse Mountain Operations
JOHN B. STOKES, Vice-President and General Manager
MICHAEL J. EXLEY, Director of Restaurant Operations
GARY R. KIEFER, Director of Mountain Operations
ROBERT A. JOHNSTON, Controller
HARVEY E. OUELLETTE, Executive Assistant to the Vice-President
ELIZABETH PETERSEN, Marketing Co-ordinator

Undersea Gardens Operations
ROBERT WRIGHT, Senior Operating Officer
LESLIE WOOD, Victoria Manager
JACK NIELSEN, Newport Manager

Canyon Aerial Tramways
CHARLES N. W. WOODWARD, Chairman of the Board
ANDREW F. B. MILLIGAN, President

Auditors
Peat, Marwick, Mitchell & Co.

Banks
Bank of British Columbia
The Royal Bank of Canada
Toronto-Dominion Bank
Bank of Newport

Solicitors
Alexander, Guest, Wolfe, Holburn & Beaudin

Transfer Agent and Registrar
Yorkshire and Canadian Trust Limited

Trustees
National Trust Company, Limited

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Telephone 683-2293

SKYRIDE AND ADMINISTRATION: 5100 Capilano Road, North Vancouver, B.C.
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